

PRESS RELEASE

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INDIANA'S INSURANCE COMMISSIONER ISSUES CONSUMER ALERT ON PRESERVING HAIL INSURANCE CLAIMS

[April 11, 2007, Indianapolis, IN] Indiana Insurance Commissioner James Atterholt today issued an advisory that consumers who suffered hail damage last spring may only have until Friday under their policy to initiate a lawsuit or obtain an extension of time with their insurance company in order to preserve the right to sue on their claim.

The catastrophic damage caused by the April 14, 2006 hail storm has resulted in an extraordinary number of claims that has stretched the limit of the insurance industry's ability to investigate and resolve these claims. During the course of working with consumer complaints, the Indiana Department of Insurance has recognized the effect of a provision within homeowners' policies that require the consumer to bring a lawsuit on unresolved claims within one year from the date of loss.

For future catastrophes the Commissioner has been working with members of the Indiana General Assembly to address the problem caused by the shortened time frame. This past Tuesday, the House of Representatives passed Senate Bill 171 which includes language that would extend the time frame for bringing suit on unresolved claims to two years. The bill also includes additional staffing to handle the increased consumer complaints.

However, for those consumers with hail damage claims from April 2006 it is important to review their policy to see if they have a one year limit in the provision titled "Suits Against Us."

"Consumers need to realize that their rights to litigate their insurance claims may be limited by this provision in their policies," remarked Carol Mihalik, Chief Deputy Commissioner of the Consumer Protection Unit of the Indiana Department of Insurance. "If consumers are in the process of negotiating a claim that is approaching the one year deadline, they need to check with a lawyer or obtain from their insurer a written extension of the time to pursue litigation otherwise they may end up waiving their right to litigate their claim."

Mihalik also noted that many people may mistakenly believe a two year statute of limitations applies to pursuing these claims. "It is important to read your policy provisions closely to look for language limiting the time for filing a lawsuit," noted Mihalik.

Commissioner Atterholt concluded, "Regardless of any filing deadline, the Department can and will investigate every consumer complaint resulting from the hail storm catastrophe and will make every effort to insure consumers are treated fairly."

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